



YOUR MONEY MATTERS



Introduction of the Series 1996 Currency

There will be no recall or devaluation of U.S. currency already in circulation. The United States always honors its currency at full face value, no matter how old. The new Series 1996 \$100 notes, the first in the series, will be introduced in the early part of 1996. Within about a year, lower denominations will be issued in order of decreasing value. The new Federal Reserve notes will be phased into circulation, replacing older ones as they reach the banking system. This multi-year introduction of the new series is necessary because of the time-intensive processes involved in engraving and producing the new designs. Sufficient inventory will be produced to ensure worldwide availability of new notes.

In conjunction with the Federal Reserve, the Treasury Department is conducting a worldwide public education campaign with two primary objectives: (1) communicate to the general public that there will be no recall or devaluation; and (2) provide information that will enable the public, law enforcement personnel, central banks, depository financial institutions and other cash handlers to authenticate the new series.

History of the New Series

Until the late 1920s, U.S. currency was redesigned frequently. There also were several types of notes in circulation: United States Notes, National Bank Notes and Silver Certificates. Since the introduction of the Series 1928 Federal Reserve Notes, changes in the design, including the use of microprinting and a security thread in Series 1990, have not affected the overall architecture of U.S. currency.

The counterfeit-deterrent features added in Series 1990 were the first step in responding to advances in reprographic technologies. Although these features have proved effective and will be retained, additional measures are necessary to protect against future threats posed by continued improvements in copy machines, scanners and printing. The new design, beginning with Series 1996, is the culmination of a five-year study aimed at staying ahead of the counterfeiting threat and is part of a continuing process to protect U.S. currency.

The process began with the New Currency Design Task Force, which comprised representatives of the U.S. Treasury Department, Federal Reserve System, U.S. Secret Service and the Bureau of Engraving and Printing (BEP). The Task Force made its recommendations to the Advanced Currency Deterrence Steering Committee, also composed of representatives of the Treasury Department, Federal Reserve, Secret Service and BEP. Based on a comprehensive study by the National Acad-

city of science, the Steering Committee then made recommendations for the new design and security features to the Secretary of the Treasury, who has statutory authority to approve such changes.

More than 120 security features were examined and tested, including those submitted in response to a BEP solicitation, those used in other currencies, and those suggested by the NAS. Evaluation criteria included impact on security, proven reliability, ability to be manufactured in large quantities, and durability over time. Among the features evaluated were holograms, color shifting films, thread variations, color patterns, and machine-readable enhancements. The strategy of the Design Task Force was to incorporate as many features as are justifiable. The features ultimately selected have proved successful in other countries as well as in test environments at BEP and the Federal Reserve. The Design Task Force will continue to see and test new security features as technology further evolves.

The New Design

The new currency is the same size, color and feel as the old notes, with the same historical figures and national symbols. “In God We Trust” and the legal tender wording also will remain on the new bills. This continuity will facilitate public education and universal recognition of the design as genuine U.S. currency—an important consideration since there will be dual circulation of the old and new currencies around the world. Among the new security features:

- A larger, slightly off-center portrait is the most noticeable visual change. The larger portrait incorporates more detail, making it easier to recognize and more difficult to counterfeit. Moving the portrait away from the center, the area of highest wear, will reduce wear on the portrait.
- Shifting the portrait off center provides room for a watermark, making it harder for counterfeiters to print. The watermarks will depict the same historical figures as the portrait.
- Serial numbers on the new currency will differ slightly from old currency. The new serial numbers will consist of two prefix letters, eight numerals, and a one-letter suffix. The first letter of the prefix will designate the series (for example, Series 1996 will be designated by the letter A). The second letter of the prefix will designate the Federal Reserve Bank to which the note was issued. In addition, a universal Federal Reserve seal will be used, rather than individual seals for each Reserve Bank.
- The use of a unique thread position for each denomination will guard against counterfeiting.
- Color shifting ink changes from green to black when viewed from different angles. This feature is used in the numeral in the lower right-hand corner.
- The numeral in the lower left-hand corner incorporates microprinting, a printing technique using lettering that can be read with a low-powered magnifier. Extremely small print (“USA 100” on the \$100 bill) appears as a thin line to the naked eye and yields a blurred image when copied. On the \$100 bill, similar microprinting also is used on the lapel of Benjamin Franklin’s coat.

- The background of the Franklin portrait on the \$100 note incorporates the technique of concentric fine-line printing, as will the background of the picture of Independence Hall on the reverse side. This type of fine line printing is difficult to resolve properly on scanning equipment and to replicate accurately by other means of printing.

Although all denominations of currency will have security features, the number of features will vary according to denomination. The \$100 note will have a full package of features, while the \$1 note will have fewer and less sophisticated features. The basic appearance of all denominations will not vary.

Cost

The total cost of developing the new design was approximately \$765,000. Included in this cost was funding for the National Academy of Science Study—\$265,376. Another \$500,000 was spent to purchase test quantities of features and carry out internal evaluations. Current notes cost 3.7 cents each, and BEP produces about nine billion notes each year. Security enhancements will increase the cost by a fraction of a cent. The Federal Reserve System is funding the development and introduction of the new currency through earnings the Federal Reserve receives primarily from interest on its holdings of U.S. government securities.